

AR24



VASCAN LIMITED

CORPORATE OFFICE, Toronto, Ontario

SUBSIDIARY COMPANIES AND DIVISIONS

Bell Foundry Co. Ltd.

Evetts Holdings Ltd.

Firth Sterling (Canada) Ltd.

J. M. G. Manufacturing Ltd.

King Metal Products Ltd.

Vascan Alloy Steel Division

Vascan Mining Hardware Division

1968

SEMI-ANNUAL

REPORT

TO

SHAREHOLDERS

VASCAN LIMITED
AND
SUBSIDIARY COMPANIES

February 7, 1969

**To the Shareholders
Vascan Limited
and Subsidiary Companies**

The following interim report covers the operations for 6 months ended December 31, 1968, compared with the similar period for 1967.

The earnings per common share equalled 17 cents as compared to 5 cents per share for 1967. The Income Statement and the Statement of Source and Applications of Funds outlines additional areas of substantial growth in the 6 month period.

During this 6 month period your company has acquired three strong companies in specialized fields of activity namely —

Evelt Holdings Limited — Bulk Chemical Transport Complex
Toronto, Ontario

King Metal Products Limited — Sheet Metal Fabricators
Woodstock, Ontario

Bell Foundry Co. Ltd. — Ductile & Gray Iron Foundry
Winnipeg, Manitoba

The earnings of these subsidiaries are reflected in this report consolidated with the earnings of the operations as detailed in the June 30th, 1968 report to Shareholders.

The Corporate Office of your company has been moved to Toronto, Ontario to centralize corporate reporting as well as financial, legal and auditing procedures.

The companies and divisions involved all indicate continued profitable operations and the results will be reported to the shareholders henceforth on a quarterly basis.

J. D. NISBET
President

CONSOLIDATED INCOME STATEMENT

(Unaudited)

Six Months Ended
December 31

	1968	1967
Net sales	\$5,756,000	\$4,302,000
Earnings before undernoted charges	\$ 966,000	\$ 858,000
Depreciation	316,000	336,000
Interest	49,000	65,000
	<u>365,000</u>	<u>401,000</u>
Earnings before income taxes	601,000	457,000
Income taxes	258,000	223,000
Net Earnings for the period	<u>\$ 343,000</u>	<u>\$ 234,000</u>

NOTE: December 31, 1967 figures have been re-stated to include the account of businesses acquired in poolings of interest.

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

(Unaudited)

Six Months Ended
December 31

Source of Funds:	1968	1967
Net earnings	\$ 343,000	\$ 234,000
Depreciation	316,000	336,000
Deferred finance charges	21,000	32,000
Increase in deferred income taxes	31,000	17,000
Common shares issued	251,000	1,111,000
Long-term notes and mortgages	128,000	200,000
Other sources		7,000
Decrease in working capital	925,000	
	<u>\$2,015,000</u>	<u>\$1,937,000</u>
Funds were applied to:		
Net additions to fixed assets	\$ 345,000	\$ 448,000
Purchase of outstanding shares of subsidiaries	923,000	1,000,000
Repayment of long-term debt	724,000	265,000
Other	23,000	23,000
Increase in working capital		201,000
	<u>\$2,015,000</u>	<u>\$1,937,000</u>

NOTE: December 31, 1967 figures have been re-stated to include the account of businesses acquired in poolings of interest.

DIRECTORS

G. A. ROBERTS

J. D. NISBET

R. H. KELM

C. H. FRANKLIN

J. H. CORRIGAN

OFFICERS

G. A. ROBERTS

Chairman of the Board

J. D. NISBET

President

D. S. McCANN

Exec. Vice President

J. H. CORRIGAN

Secretary

C. T. LOUGHRIN

Assistant Secretary

R. H. KELM

Treasurer

R. J. GAMBLE

Assistant Treasurer

C. E. ST. MICHAEL

Assistant Treasurer